

# **Federal Home Loan Bank of Dallas**

## **2002 Community Lending Plan**

### **I. Introduction**

The Federal Home Loan Bank of Dallas (Bank) is pleased to present the 2002 Community Lending Plan (Plan) to the Federal Housing Finance Board (FHFB), Bank member institutions, and to other interested parties within the 9<sup>th</sup> District.

The Community Investment Cash Advance (CICA) regulations require each Federal Home Loan Bank to establish a Community Lending Plan. This plan, to be adopted on an annual basis, shall be approved by the Bank's Board of Directors and shall address the following areas:

1. Th Bank's market research within the district;
2. How the Bank will address the unmet credit needs identified within the district; and
3. Establish quantitative community lending performance goals.

### **II. Market Study & Needs Analysis**

During 2001, a survey was distributed to all 4,498 individuals. This included 3 different representatives of each Bank member institution, and 2,008 different community development organizations, including non-profit housing organizations, Small Business Development Centers, state housing finance agencies, and others. The survey was conducted to assess community lending needs, barriers to community development, actions and resources needed to increase the level of community development, and suggestions for products and services that might be provides by FHLB Dallas.

A comprehensive analysis of data gathered from secondary sources was conducted during the summer 2001. These sources included a thorough review all five states Consolidated Plans, along with a review of Census 2000 data and other materials.

### **III. Market Research Analysis Results**

Several unmet or underutilized opportunities/needs became apparent. These included:

- 1 A continued need for affordable housing production. The demand for down payment assistance continues to be a barrier to homeownership.
2. Financing for micro-loans and other small business loans.
3. Additional capital to assist small businesses with start-up needs.
4. A strong desire for technical assistance for small businesses and member institutions.

#### **IV. Technical Assistance**

##### **Affordable Housing Workshops**

The Dallas Bank conducted 6 training workshops during the summer of 2001. These workshops were held in Santa Fe, NM; Dallas, TX; Houston, TX; New Orleans, LA; Tunica, MS; and Little Rock, AR. Approximately 350 people attended the training. These workshops contributed to an increase in the number of AHP applications submitted in October 2001.

##### **Water/Wastewater Workshop**

The Dallas Bank and the United States Department of Agriculture's Rural Development co-sponsored a workshop in Baton Rouge, LA. on programs available to meet community facilities needs, including water and wastewater.

##### **Continuous Technical Assistance**

Bank staff are available to potential customers to assist with the design of affordable housing and community development projects.

#### **V. Current Programs**

The Bank currently offers its Affordable Housing Program, along with the Community Investment Program (CIP), and Economic Development Programs (EDP) programs. In addition, the Bank also offers the Partnership Grant Program. These programs have been very successful in helping our membership meet housing and economic development needs in their communities.

#### **VI. New Initiatives**

In 2002, the Bank will unveil new programs in addition to those listed above. New for 2002 will be an AHP set aside program, and a new economic development grant initiative. These new initiatives will address needs identified in our market research.

The set aside program, HELP (Homebuyer Equity Leveraging Partnership), will be a matched savings program. It will require at least a \$1,000 contribution from the prospective homebuyer. HELP funds will be used for match buyer's down payments, or to match Individual Development Accounts (IDA) contributions. Funds will be used to match homebuyer funds at a 3:1 rate or 4:1 if the member institution contributes at least \$350 toward the mandatory counseling. The Bank will set aside \$1,000,000 for this program in 2002.

The new economic development program will be known as EDPPlus. This will be a small business grant program. \$1,000,000 will be available for this initiative in 2002. Eligible small businesses may receive up to \$25,000 in grant funds to supplement member institution loan proceeds. In addition, small business owners must provide at least 15% of the total cost for the acquisition, or expansion of the business.

## **VII. 2001 Goals and Performance**

The following summarizes FHLB Dallas' goals and performance for 2001.

<b>Programs / Actions</b>	<b>2001 Goals</b>	<b>2001 Performance</b>
<b>Community Investment and Economic Development – CICA Lending</b>	\$125MM	\$156MM
<b>New CICA borrowers</b>	12	13
<b>Water/Wastewater Fund</b>	Disburse \$25MM	\$5.7MM funded
<b>Partnership Grant Program</b>	Award \$225,000 in program funds	\$175,000 awarded

## **VIII. 2002 Goals**

<b>Program</b>	<b>Goals</b>
AHP Set Aside (HELP)	Commit \$700,000 in matching funds
CIP/EDP Advances	\$160 million
Water/Wastewater Program	Allocate all program funds
AHP	Increase number of participating members
Small Business Initiative (EDP	Award \$700,000 in grants

During 2002, the Bank will continue to meet with community groups, small business development organizations and Bank members to identify relevant needs and issues. The Bank will strive to increase its outreach efforts and education with respect to economic development initiatives, while continuing to emphasize its housing programs and efforts.